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BRIDGES AFRICA

Trade and Sustainable Development News and Analysis on Africa

VOLUME 1, ISSUE 2 - JUNE 2012



Making the green economy work for Africa

GREEN ECONOMY

The role of Aid for Trade

PUBLIC HEALTH

Malaria: Sleeping with the enemy

PTAs

AGOA: Fix it and keep moving



International Centre for Trade
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GREEN ECONOMY

4 **Aid for trade and the green economy in Africa**

Willemien Viljoen

CLIMATE CHANGE

7 **Export diversification and climate change: Overcoming the emerging constraints**

Jodie Keane

PUBLIC HEALTH

10 **Slashing "killer tariffs": A healthier trade policy for Africa**

Lucian Cernat

INTELLECTUAL PROPERTY RIGHTS

13 **Access to medicines in Africa: Where there is a will there is a way?**

Joelle Dountio

PTAs

16 **Fix AGOA, and keep moving**

Kimberly Ann Elliott

INTRA-REGIONAL TRADE

18 **Boosting intra-regional trade in Africa: An end in itself?**

Sean Woolfrey

EMPLOYMENT AND TRADE

20 **Job creation through trade: Challenges for African countries**

Marion Jansen and José Manuel Salazar-Xirinachs

BRICS

23 **A glance at Africa's engagement with the BRICS**

Taku Fundira

AGRICULTURE

25 **How can Europe make the CAP coherent with development?**

Nicola Cantore, Sheila Page and Dirk Willem te Velde

27 **Regional update**

29 **Global news**

31 **Publications and resources**

Editorial



The Rio+20 conference on sustainable development is approaching, and in the context of this 20-year follow-up to the historic Earth Summit of 1992, this month's issue of Bridges Africa leads with a reflection on the mutual dependence between trade and environmental development.

Willemien Viljoen, researcher at TRALAC, provides an analysis of the role of Aid for Trade in Africa's transition to a green economy. Jodie Keane of the Overseas Development Institute follows a similar line of thought, providing a discussion of how policymakers could enhance synergies between trade and climate change.

The relationship between health policy and trade also takes centre stage this month. Lucian Cernat, Chief trade economist at the EU, makes a provocative case for more liberalized set of trade and development policies in tackling Africa's malaria epidemic. Meanwhile, Joelle Dountio argues that developing nations need to take full advantage of their rights under TRIPS in an insightful analysis of Intellectual Property Rights and their repercussions for access to medicines on the continent.

Kimberly Elliott of the Center for Global Development provides an overdue critique of the US Africa Growth and Opportunity Act (AGOA), and its impact on African exports. She highlights the importance of competitiveness to AGOA's success.

In the same spirit, Sean Woolfrey from TRALAC emphasises the primacy of Africa's external trade, while Taku Fundira delivers an interesting commentary on the engagement of BRICS countries in Africa.

Madison Jansen and José Manuel Salazar-Xirinachs of the International Labour Organization explore the challenges facing Africa in terms of job creation via increased trade.

Finally the last piece co-authored by Nicolas Cantore, Dirk te Welde, and Sheila Page from the ODI focuses on the development goals of the EU Common Agricultural Policy (CAP). The authors argue that a more radical CAP is needed to confront the challenges of increased food-price volatility, food security concerns, and an increased emphasis on greening.

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The Bridges Africa team

GREEN ECONOMY

Aid for trade and the green economy in Africa

Willemien Viljoen

Market access opportunities must be complemented with financial and technical assistance in order for African economies to transition to a green economy.

The environmental challenges faced by most African countries hold the potential to derail their current developmental path. Their economies are reliant on agriculture, tourism and fisheries as these are among the largest sources of employment, economic growth and exports on the African continent. Yet, it is these selfsame sectors that are the most vulnerable to climate change and other environmental risks. Development is further hampered by the lack of energy security and self-sustainability, as the potential of renewable energy as a generator of economic growth and development has yet to be recognised.

Moving towards a green economy, based on sustainable policy measures and investment, would enhance the livelihoods of the poor through employment creation and the overall reduction of poverty in Africa

What is the green economy?

A green economy can broadly be defined as an economy that results in improved human well-being and social equity while significantly reducing environmental risks and managing the ecological scarcities which can play such a pivotal role in the economy of most African countries. The benefits of such an economy are plentiful: from increasing the value derived from agricultural, fisheries and forest activities; to reducing the vulnerability of the poor to the impact of climate change and creating opportunities for new innovation; to increasing the sustainability of agriculture as well as enhancing eco-tourism opportunities. A green economy will also provide cleaner sources of energy to rural communities and promote sustainable urbanisation.

By shifting African economies towards a green economy model it is possible to enhance economic growth and human development by creating the opportunity for green growth and employment, all the while minimising the exposure of future generations to the extreme dangers posed by environmental risks. Yet, a key question remains – how can African countries transition their current economic framework to one of a green economy without burdening the current generation with the high cost of transformation?

International trade is seen as an integral component in the toolset aimed at sustainable development and the transition to a green economy. However, enhanced market access opportunities on their own are not enough. The transition also requires financial and technical assistance; A possible avenue for this is through Aid for Trade programmes to increase Africa's participation in international trade while concurrently strengthening environmental goods and services trade-related infrastructure and minimising supply-side constraints.

What role for Aid for Trade?

The Aid for Trade initiative comprises development assistance programmes offered by developed countries to support the development of basic economic infrastructure and tools in developing and least-developed countries (LDCs). The initiative is organised under the auspices of the WTO and is aimed to expand trade and allow LDCs to participate more effectively in the global trading system.

At its core, Aid for Trade supports trade liberalisation through technical assistance to improve the capacity of developing countries to export by utilising efficient infrastructure

and institutions. Without reducing pre-existing supply-side and infrastructural constraints prevalent in developing countries, the potential positive impact international trade-related reforms and improved market access conditions can have on economic development and poverty alleviation are limited.

There are six categories traditionally covered by the Aid for Trade initiative:

- Trade policy and regulation, including assistance with the implementation of trade agreements and institutions required to comply with rules and standards;
- Trade development like trade finance, business facilitation and trade investment promotion;
- Trade-related infrastructure which includes all forms of physical infrastructure like roads, transport and storage, communications and energy but excludes water supply and sanitation;
- Building productive capacity entails any activity which contributes to improving a country's ability to produce goods and services;
- Trade-related adjustment which are measures that mitigate the economic cost of trade liberalisation; and other trade-related needs

For the purposes of the African economies' move towards a green economy model, the most important category appears to be the "improvement of trade-related infrastructure."

Aid for Trade in an African green economy transition

For any Aid for Trade initiative to be successful in transitioning African economies towards a green economy, it must ultimately create trade conditions that will lead to sustainable development. The focus should thus be on the improvement of environmental conditions and poverty alleviation. This can be achieved by assisting African countries to maintain their existing market share as well as opening up new export markets for African economies in environmentally-friendly goods and services.

Aid for Trade programmes can be provided in different sectors of the economy and take on various forms:

- Capacity building initiatives to develop an analytical framework to assess the impact of trade agreements and policies on all areas of the economy, including the environment and the natural resources of a country;
- Developing productive capabilities in specific green economic sectors;
- Building the necessary capacity to support sustainable production and process methods in African countries;
- Assistance in identifying viable and feasible markets for environmentally-friendly goods and services;
- Building the technical capacity of countries to meet the standards, regulations and requirements applicable to trade in environmental goods; and
- The investment in specific sectors like renewable energies, agriculture, tourism and forestry.

Specific areas of the African economy, in which Aid for Trade programmes can make a significant contribution towards greening the economy, include agriculture, water resources, energy and ecotourism. Aid directed towards these sectors would mainly fall under the Aid for Trade categories of improvement of economic infrastructure and building of productive capacity. Infrastructure projects that can be associated with a green economy include renewable energy programmes and the enhancement of water resources through the construction of dams and modernisation of water distribution systems. Programmes in the area of greening agriculture and developing ecotourism could be classified under the Aid for Trade category of building productive capacity. Aid could be utilised for agricultural research, soil rehabilitation, changes in crop mix, the development of climate change resistant crops and the development and promotion of eco-tourism services.

Eco-tourism, or tourism in natural surroundings, can be a very important source of green growth for African countries given the natural endowment of most in this regard. Eco-tourism is generally built on community-led tourism activities and operations that preserve the natural eco-system, while generating employment for unskilled labourers in rural

communities. These activities normally do not require vast capital outlays and investment, making it an ideal industry for fostering economic growth in African countries with natural resource abundance and capital scarcity.

Such Aid for Trade initiatives would recognise the complex relationship between trade and the environment. Trade and trade-related policies can have a significant impact on the environment, but the environment can also impact trade. This is particularly true for African economies, which are highly dependent on exports of natural resources and agricultural products as a source of economic growth and development.

Concerns in the transition to a green economy

The shift towards a green economy holds huge economic and social potential for countries in the region. There are, however, some obstacles that are inherent to the current basis of African economies which challenge the attainment of green-led growth and development. The fundamental challenge faced by all African countries, is improving employment, wealth and social services while lowering the absolute utilisation of, and dependence on, non-renewable natural resources, as well as shifting to a low-carbon energy system.

Due to the uneven distribution of natural resources through the different African countries in the region, the shift to a green economy will need to take place without regional displacement of resources. A transition to a green economy requires a significant investment to facilitate the necessary structural changes. These include changing the production function, improving infrastructure, and enhancing technological capacity and capabilities. These challenges represent a gap in current Aid for Trade programmes supported by developed countries.

The structural constraints of African countries — including their high dependency on agriculture, limited access to energy and low economic diversification — must be addressed in order to facilitate the shift towards a green economy. Evaluation is a necessary part of any attempt to address trade-related challenges. Environmental regulations, standards, labelling and certification standards applicable to the trade in environmentally-friendly goods must all be taken into account and analysed. The same holds true for potential unilateral border tax adjustments to protect domestic firms, and green subsidies in the importing market.

African countries need to enhance their ability to address all these measures in order to be able to fully benefit from new market access opportunities available under a greener economy.

Looking forward

Developed and developing countries can utilise the lessons learned from previous experiences with the Aid for Trade initiative to ensure success in, future, greener programmes. It has been amply demonstrated in the past, by initiatives in any sector in the economy, that there is no one-size-fits-all model able to incorporate Aid for Trade in the economy. The differing economic structures, institutions, economic growth rates and stages of development of the African economies must be carefully considered. Programmes must complement a country's national development and economic programmes, future plans and structures. The Aid for Trade programme should be fully integrated into the overall development and poverty alleviation strategies of the country.

Any initiative must create clear and transparent criteria for monitoring the attainment of goals, targets and timelines. Initiatives must be strictly needs-based, building integrated analytical and assessment capacities, stakeholder participation and policy-making and implementation capabilities. One of the most important factors required for a successful transition to a green economy through Aid for Trade is an enabling of the domestic environment by including supportive domestic regulations, legislation, financial assistance and technological advancement.



Willemien Viljoen
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This article is an adapted version of a longer piece that first appeared in Bridges Trade BioRes, November 2011, <http://ictsd.org/i/news/bioresreview/117748/>

CLIMATE CHANGE

Export diversification and climate change: Overcoming the emerging constraints

Jodie Keane

Why export diversification strategies need to be adapted and how to address climate change-related regulatory constraints.

Despite the outcomes from COP17 there remains a considerable degree of ambiguity in relation to the relationships between trade and climate change regimes. Countries in sub-Saharan Africa (SSA), particularly least developed countries (LDCs) and small vulnerable economies (SVEs) need to be prepared to defend their offensive and defensive trade interests related to the new challenges posed by climate change. This approach is necessary so as to ensure that the actions being taken to mitigate climate change by developed countries facilitate rather than hinder existing export diversification strategies.

Adapting and designing export diversification strategies

Although some ingredients from successful export diversification strategies in the past, late industrialisers in SSA now face a different trade environment. On top of the traditional challenges to export diversification there is climate change. Not only will countries in SSA need to adapt to the physical effects of climate change - such as changes in precipitation patterns, increases in global temperatures and the likelihood of extreme events - but also regulatory changes related to the mitigation of further temperature increases.

Strategies to mitigate climate change taken by developed countries have led to an increasing focus on the processes and methods by which goods are produced. This suggests that the impacts of climate change will not only be physical, but also regulatory, and that the severity of each on exporters will be product and country specific. The compound effect of all of these changes may mean that for some countries in SSA the routes used in the past to diversify exports may no longer be viable. As a consequence, new strategies need to be designed for increasing the resilience of existing productive structures, moving into new products and services related to global climate change mitigation efforts, and making full use of rights provided by the international trade regime.

Addressing the new physical and regulatory constraints

Even if the most ambitious measures to address climate change are adopted, global temperatures are projected to increase by at least 2 degrees Celsius by the end of this century if not sooner. The effects of climate change, including policies designed to mitigate it, will be country, product and value chain specific. However, agricultural producers are inevitably the most vulnerable to the physical effects of climate change. A number of countries in SSA are likely to experience declines of at least 20 per cent in farm outputs should climate change continue unmitigated. This would jeopardise the prospect for enhanced agricultural export earnings and increase the volatility of commodity prices unless efforts to mitigate these effects are adopted.

Increasing the resilience of existing productive structures

UNCTAD suggests the establishment of a counter-cyclical financing facility for low-income commodity dependent countries to better deal with external shocks, involving physical and virtual reserves. Mechanisms could be designed *ex ante* rather than *ex post*, and take into account new indicators of vulnerability related to climate change, for example, the relationships between productive outputs and variability in temperature or rainfall. Other ways in which to make existing productive structures more resilient include enhancing insurance facilities. For example, in the case of the Global Index Insurance

Facility (GIIF) being implemented by the IFC, payments are triggered on the basis of rainfall and variation of temperature.

While technical assistance programmes should implicitly prepare countries to meet any challenges associated with the trading environment, some changes may be so large and uncertain that trade support must allow for them explicitly. The Aid for Trade initiative, like climate change mitigation and adaptation finance, is about the delivery of global public goods. However, any new purpose for Aid for Trade needs new resources in order to avoid diverting from existing needs; there are governance issues that need to be resolved so as to ensure that this is the case.



Addressing new regulatory constraints

The WTO does not have specific provisions to deal with climate change, despite there being some obvious potential clashes between the trade and climate regimes. The EU's Emissions Trading Scheme (ETS) Directive will require importers to participate in emissions trading schemes, and to purchase emissions allowances according to the carbon content of products being supplied to these markets; this is even if importing countries are under no obligation to reduce their emissions under the Kyoto protocol. If importers fail to purchase these allowances, border tax adjustments (BTAs) will be levied so as to level the playing field between domestically produced and imported products.

BTAs are likely to violate WTO non-discrimination rules because they discriminate between products based on where and how they are produced, which means the remedy in some cases could be to take such actions to the WTO's dispute settlement mechanism. Alternatively, levying a carbon exports tax could be a tool developing countries use in order to counter or pre-empt border adjustment measures imposed by developed countries; this would result in revenue being retained rather than being transferred. Such an approach would level the playing field between products subject to no carbon regulation and those that are. A similar strategy could also be adopted in response to the inclusion of the aviation industry within the EU's ETS from 2012.

Other strategies may need to be pursued in order to ensure access to the EU's ETS and carbon market. For example, in the absence of an ambitious international post-2012 climate agreement, access to the EU's ETS may be limited to CERs obtained from LDCs only as of 2013. This could provide a unique market access opportunity for LDCs in SSA, particularly since the EU's ETS is likely to include the forestry sector from 2020 onwards.

The carbon market for reduced emissions from deforestation and forest degradation (REDD) essentially represents a new market for existing products; this is because CERs can be obtained through improving the management of forestry reserves and enhancing carbon sequestration processes. The inclusion of terrestrial carbon within the EU's ETS could provide new market opportunities for agricultural producers in SSA. However, an

appropriate regulatory framework needs to be developed which supports such trade. Trade in CERs is payment for a service, which means that different rules apply from those that regulate trade in goods. SSA has had limited access to the CDM to date because of technical and financial barriers.

Adhering to new carbon standards results in costs of compliance and/or changes in how production is undertaken, and so does harmonising them across different products and markets. If all inputs are priced to reflect both their scarcity and any external diseconomies, then shifting production to the most efficient producers will help mitigate climate change as well as improve development prospects, but this will not happen if developing countries cannot demonstrate their lower carbon costs. There could be a role for trade facilitation measures such as Aid for Trade in assisting SSA countries in designing carbon standards, meeting them and demonstrating compliance. The UNFCCC has already developed guidelines on how to measure the carbon content of land which suggests that further links could be made between the trade and climate change regimes.

New and possibly higher value markets for existing products related to climate change mitigation efforts could include biofuels. The price advantages of biofuels production relative to importing fossil fuel are increasing rapidly (Wiggins et al., 2011). New markets for existing products, such as sugar cane, could include developed countries such as the EU which has mandatory renewable energy targets – so long as sustainability criteria can be met and verified – but also other regional and domestic markets. This could provide some soft commodity exporters such as Malawi with new opportunities for their sugar exports.

Linking certified low carbon biofuels production, as well as low carbon agricultural production in general, by LICs to carbon offset markets in the EU or UK market could be one way in which to incentivise increased investment in these export-orientated sectors, raising productivity and potentially generating positive spillover effects for other agricultural producers and exporters. This is because adherence to quality standards related to the carbon content of products may help producers to upgrade agricultural production and marketing systems in general.

Conclusion

Policy makers need to address the regulatory gaps and potential clashes between the trade and climate change regimes, but they also need to develop the potential synergies that exist between the regimes. The importance of doing this for most countries in SSA is amplified because of their inherent structural characteristics: limited scale economies in the domestic market because of small economic as well as geographic size enhances the role of trade as a contributor to growth; this means that ensuring the post-2012 climate change regime facilitates rather than hinders the process of export diversification and structural change takes on an added urgency.

See also: Keane, J., "How could and should Aid for Trade and climate change finance work together to address the challenges faced by the agricultural sector in poor countries", J Keane, S Page, K Alpha and J Kennan, 2009, ICTSD at <http://ictsd.org/climate-change/agriculture-and-biofuels/>.

"Production, Policy and Trade Opportunities for Biofuels in Eastern Africa, Research report for Bioenergy in Africa: Opportunities and risks of jatropha and related crops", Wiggins, S., Keane, J., Kennan, J., Leturque, H., and Stevens, C., 2011. Project briefing available at: <http://www.odi.org.uk/resources/docs/7316.pdf>



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PUBLIC HEALTH

Slashing “killer tariffs”: A healthier trade policy for Africa

Lucian Cernat

Lucian Cernat, Chief trade economist at the EU, puts forward a case for a more coherent set of trade and development policies in tackling malaria, in particular with regard to the trade and investment liberalisation of mosquito nets.

Despite longstanding international efforts, malaria is still a public-health nightmare in many African countries. According to the World Health Organisation (WHO), over three billion people are at risk of contracting malaria worldwide, with a particular high risk for people living in Africa. Every year this leads to about 250 million malaria cases and nearly one million deaths, with 20 percent of child mortality directly linked to malaria or its consequences.^①

Apart from being a public-health nightmare, malaria is also an economic handicap that leads to a vicious circle of poverty and illness. Gallup and Sachs (1998) estimate that countries where malaria is prevalent have an annual economic growth rate that is 1.3 percentage points lower than in countries that are not confronted to a high prevalence of the disease.^②

Nets and malaria

The global community has identified combating malaria as a key Millennium Development objective, and donors, including the WHO, other UN agencies, and NGOs such as the Bill and Melinda Gates Foundation, have made great strides in reducing the spread of this disease. The success is due to a combination of actions and measures, one of which is the increased use of insecticide-treated mosquito nets.

The percentage of children using treated nets is still below targets, particularly in some of the largest African countries. For instance, according to UNICEF's ChildInfo programme, only around six percent of children under five years of age were sleeping under treated nets in Democratic Republic of Congo – one of the largest countries in Africa with more than four million cases of malaria.^③

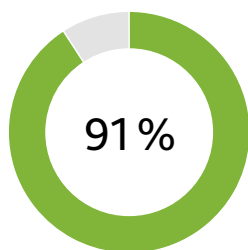
While the rapid scale-up of treated-nets distribution in Africa represents an enormous public-health achievement, it also represents a formidable challenge for the future in ensuring that the high levels of coverage are maintained. The lifespan of a long-lasting treated net is currently estimated to be around 3-4 years. This means that millions of mosquito nets delivered in previous years are already, or will be soon due for replacement. Failure to replace these nets in time could lead to a resurgence of malaria cases and deaths.

What role can trade policy play in the fight against malaria?

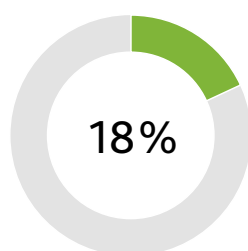
At first sight one would argue that trade policy cannot be called upon to contribute directly to this important public-health challenge. Yet, trade policy was seen as one additional tool to fight malaria by African leaders. In April 2000, at the African Summit on Roll Back Malaria in Nigeria, 39 African countries have pledged to remove taxes and tariffs on insecticide-treated nets and other malaria-related preventive materials and drugs.

This was hailed as a quick and effective contribution that trade policy could make towards the eradication of malaria in Africa. More than a decade later, it turns out that quite a few countries severely affected by malaria still maintain tariffs on the importation of mosquito nets and other malaria-fighting products and drugs.^④

According to the information provided by the Malaria Taxes and Tariffs Advocacy Project (a joint project sponsored by the WHO and the Gates Foundation), in August 2010, some



91%
of all malaria deaths currently occur in Africa and most of these deaths are among children under five years of age.



18%
is the percentage of child death in Africa due to malaria

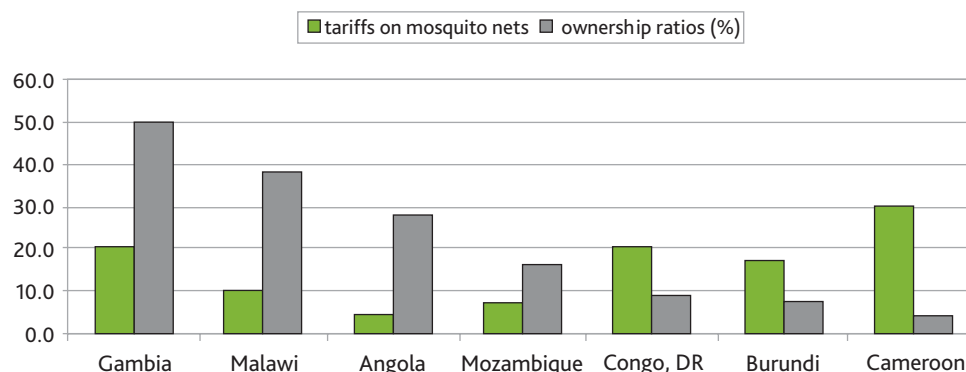
Source: UNICEF

30 countries in Africa still maintained tariffs as high as 20 percent on Insecticide-treated bed nets (ITNs).⁵ Imposing a tariff on a life-saving product can be tantamount to a "killer tariff" for some poor African households who would have to choose between food or other essential products and a more expensive mosquito net.

Over 100 million people are living in malaria-endemic countries that still apply a tariff on mosquito nets.

Over 100 million people are living in malaria-endemic countries that still apply a tariff on mosquito nets. For the top African countries with the highest number of reported malaria cases in 2010, tariffs on mosquito nets are still between 5 and 35 percent and the mosquito net ownership ratios are very low, except in Gambia. The correlation is not very strong since ownership ratios are in some countries largely determined by (duty) free distribution of mosquito nets by donors and international agencies.

Figure 1. Tariffs, malaria incidence and mosquito net ownership ratios



Sources: World Bank (WITS) for tariffs. UNICEF for mosquito net ownership ratios.

It should be noted that several countries (e.g. Kenya, Uganda, Senegal, Ghana, Nigeria) have taken the right steps and have eliminated tariffs on mosquito nets. Furthermore, countries like Nigeria, Ethiopia, and Madagascar have explicitly created several duty-free tariff lines for products including "mosquito net" in their descriptions (thus avoiding customs classification misunderstanding or abuse). Other countries have announced that, even if tariffs are still officially in place, they would waive the tariffs on mosquito nets.

But, as long as some double-digit tariffs persist, several malaria-endemic countries seem to import negligible amounts of mosquito nets in commercial terms, despite low coverage rates among vulnerable groups.

The cost of "killer tariffs"

To illustrate the potential direct contribution that trade policy in malaria-endemic countries could make to reduce malaria incidence, it would be important to estimate the positive health impact of removing tariffs on prices and availability of malaria bed nets. Economic modelling suggests that if tariffs ranging between 5 - 30 percent on mosquito nets in the six African countries included in Figure 1 would be removed, this would lead to an increase in mosquito net imports of around \$300,000 essentially from China and Vietnam, by far the largest exporters of this product to Africa. The overall estimated increase in additional imports is very small when thinking about the millions and billions we usually see in international trade. But this is not about the money. It is about the number of people that could be protected by the increased number of mosquito net.

Based on several price estimates, if we consider that the average price of an insecticide-treated mosquito net is in the range of \$5-\$6, slashing tariffs on mosquito nets will allow

some 50,000 households to acquire a potentially life-saving device for their children. The WHO estimates that on average a mosquito net is used by two children in a household. So, imposing tariffs on mosquito nets may have the unfortunate effect to deprive some 100,000 African children from having access to a life-saving product that could protect them from malaria – though this may well be an underestimate.

Aid for Trade: Building synergies between trade and investment promotion in Africa

Apart from promoting free trade in mosquito nets as a direct life-saving tool in Africa, several other international initiatives could play a positive role. With the help of one NGO, UNICEF and several multinational companies having a key role in the production of long-lasting insecticide-treated nets have joined forces in establishing AtoZ Tanzania, a company that is described as one of Africa's largest manufacturer of long-lasting impregnated mosquito nets. The company is reported to have had access to the latest technology and could supply several African countries at a competitive price. This could be the long-term solution to aid dependency in Africa, when it comes to affordable access to mosquito nets all over Africa.

What is noteworthy is that AtoZ emerged as a competitive mosquito net regional provider without benefiting from the typical tariff protection of "infant industries": Tanzania has implemented a zero-tariff policy on mosquito nets. Such an example shows that protection is not necessary to build competitive industries. What is important is the coherence and partnership between various actors. AtoZ also calls for a coherent approach between donors, the private sector and the beneficiary country. If the goal is to ensure that local African companies producing mosquito nets supply the domestic market at low prices and become a source of mosquito nets for other African countries, it would make little sense for instance to have double digit tariffs on imports of yarn, fibres and insecticides that are necessary to produce the mosquito nets.

Conclusion

In the end, what is clearly required is for trade, foreign direct investment, transfer of technology, and public-private partnerships to come together in a coherent way. Aid for Trade-sponsored training and technical assistance programmes aimed at African trade officials are well placed to "connect the dots" between public-health objectives and the importance of removing "killer tariffs" on malaria preventive material, and adopt other trade facilitation measures such as a dedicated tariff line for mosquito nets.

The prospects of one day malaria being nothing more than a horror story at bedtime for millions of children in Africa, instead of the killer it is today, depend on many factors but coherent policies could help bring that day a little bit closer.

This article is based on an earlier version published on VoxEU. The views expressed herein are those of the author and do not necessarily reflect the views of the European Commission.

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- ① World Health Organization, "10 facts about malaria", March 2009, <http://bit.ly/IJKfE>
 - ② Gallup and Sachs, "The economic burden of malaria", 1998, Center for International Development at Harvard, <http://bit.ly/KBIHeT>
 - ③ UNICEF's ChildInfo programme, <http://www.childinfo.org/malaria.html>
 - ④ World Health Organization, "The Abuja Declaration and the Plan of Action", 2003
 - ⑤ Malaria Taxes and Tariffs Advocacy Project (PDF), <http://bit.ly/LbzxrG>



Lucian Cernat
Chief Trade Economist at the
European Commission

INTELLECTUAL PROPERTY RIGHTS

Access to medicines in Africa: Where there is a will there is a way

Joelle Dountio

How can African governments deliver more affordable medicines to their populations?

The internationalisation of intellectual property rights (IPR) regulation through the World Trade Organisation's (WTO) Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement has curtailed the rights of pharmaceutical companies to manufacture generic medicines. However, as inventors have gained new rights to the manufacture, use and sale of their pharmaceuticals, several life threatening diseases have flourished. This is particularly true in Africa, where many people can neither afford brand medicines nor unlimitedly import generic alternatives from India, which is now TRIPS complaint.

Piracy has been a generator of development

Piracy in the context of IPR amounts to the unauthorised duplication of an original recording, or the unauthorised use of a trademark for commercial gain, without the consent of the rights holder. Throughout the 19th century, in the absence of international regulatory instruments, developing countries like India were able to further the agenda of reverse engineering, allowing their pharmaceutical sectors to acquire research and development (R&D) skills. India's generic pharmaceutical companies became innovators in pharmaceutical processes, giving rise to affordable, locally manufactured generic medicines that enhanced the health of people living in India and abroad.

Piracy and counterfeiting are the starting point for prospective innovators and inventors. Both practices flourished in today's developed economies for quite some time before higher levels of prosperity and global integration were attained. For instance, the US textile industry prospered from the introduction of British manufacturing techniques in the 1800s. In those days, IPR could be enforced domestically. The resultant freedom to produce pirated and counterfeited goods contributed to the eventual transformation of the industrial sector from one mainly focused on counterfeiting, to one that innovates and invents.



Reverse engineering

Reverse engineering is the process of discovering the technological principles of a device, object, or system through analysis of its structure, function, and operation. It often involves for instance copying or reproducing parts of copyrighted internal process code in order to create or manufacture a product.

During the 1970s, the Indian government deliberately put an end to the patenting of pharmaceutical products and limited patent protection in the pharmaceutical sector to processes only. This meant that whilst the particular process of manufacturing a medicine, say amoxicillin, could be patented, the medicine itself (the product) could not. Hence, generic manufacturing companies could not be prevented from using other processes to manufacture amoxicillin. These new processes of manufacturing were generally cheaper, and as a result these medicines became more affordable, to the benefit of the poor. Hence, owing to this policy, pharmaceutical companies were allowed to manufacture generic versions of brand medicines that originated primarily from developed countries. This spurred reverse engineering in the production of generics. Nowadays, many Indian pharmaceutical companies, which used to focus primarily on the manufacture of generic medicines, have gained R&D skills that have increased their innovation and invention abilities, particularly in pharmaceutical processes. However, this Indian scenario has been stopped in its tracks by newly internationalised IPR laws, introduced through the TRIPS Agreement.

TRIPS patents arguably violate international rights

In many African countries today, the health sector is in crisis because the medicines to address life-threatening diseases are either not available in the case of some tropical diseases or are simply unaffordable in the case of diseases like tuberculosis, and more efficient Anti-retroviral treatment (ART). This raises serious concerns with regards to the right to health as defined by article 12 of the UN International Covenant on Economic, Social and Cultural Rights. As indicated by the Committee on Economic Social and Cultural Rights, the right to health can only be attained if good quality health care services are made available and accessible, and if the correct information on these health care services is available. Thus, in many African countries, the right to health is seriously jeopardised by the TRIPS agreement.

The principal cause of this African health crisis is the inability of many Africans to access health care services and affordable medicines. The main barrier is the existence of unnecessarily high standards of IPR protection (TRIPS-plus) in many African countries. These TRIPS-plus measures are adopted despite the fact that the TRIPS Agreement, the Doha Declaration on TRIPS and Public Health in 2001, and the August 30th Decision of 2003 (amendment to the TRIPS Agreement) expressly allow for the application of minimum standards of IPR protection for public health purposes. The Doha Declaration on TRIPS and Public Health extended the transition period of least developed countries (LDCs) from 2005 to 2016. Whereas LDCs were once expected to provide patent protection on pharmaceuticals by 2006, they now have until 2016 to do so. The African Intellectual Property Organisation (OAPI) is an IPR organisation made up of sixteen French speaking African countries.❶ IPR in this organisation are regulated by the Bangui Agreement, which was revised in 1999 to incorporate the TRIPS Agreement. Interestingly, Annex I, articles 1-10, of this agreement provide for patent protection in all fields of technology including pharmaceuticals for up-to twenty years, whereas out of the 16 countries Member states of this organisation, 12 are LDCs that could abstain from providing for patent protection on pharmaceuticals until 2016. This implies that some countries cannot import the needed medicines as they are needed, despite being technically authorised to so.

Other factors that impede access to medicines include: lack of political will; poor procurement practices; poor transportation and storage facilities for pharmaceuticals; poor health care infrastructure; fragmented and poorly coordinated health care systems; inadequate health care facilities and personnel (African trained nurses and doctors migrate to developed and emerging countries where working conditions and wages are better); poor electricity and water supply, low level of health care funding; little or no manufacturing capacity; and a reluctance to introduce either price control mechanisms or competition law to safeguard the fair pricing of medicines.

Better knowledge and political will could be an effective equalizer

It should be noted that, even in the midst of some of the aforementioned non-IPR obstacles, a strong political will to incorporate the TRIPS flexibilities into national laws

accompanied by a human rights-based approach can greatly enhance access to medicines in Africa. This is evident from the current situation in South Africa, where national laws have been implemented and in some cases amended to ensure extensive utilisation of TRIPS flexibilities with the objective of boosting access to medicines. This strong political will and human rights-based approach is evident from the constitutional recognition of the right to health care access (section 27 of South African Constitution).

This constitutional recognition of the right to health care provides additional support to civil society organisations (CSOs) promoting access to medicines. These organisations can now hold the government accountable in the event of an abuse of its constitutional mandate. For instance, organisations like 'Doctors Without Borders' (MSF), 'Treatment Action Campaign' (TAC), and 'Section27' can take action against the government, and third parties such as multinational pharmaceutical companies each time access to medicines is threatened by any of these two. This was the situation in the 2004 case of *Hazel Tau and Others vs GlaxoSmithKline and Boehringer Ingelheim*, where TAC and twelve others used competition law to challenge the high private sector prices of ART charged by the two pharmaceutical companies. This led to the grant of voluntary licences to produce (or import) generic ART.

The South African government in its part, working toward the progressive realisation of the right to health, amended the Medicines and Related Substance control Act 90 of 1965 in 1997 to compel pharmaceutical companies to offer patients generic versions of off-patent brand medicines instead of brand medicines; and to institute a pricing committee with the daunting task of ensuring that medicine pricing mechanisms are transparent enough, and that pharmaceutical companies justify the prices they charge on medicines. The amendment also introduced parallel importation of brand medicines from countries to which pharmaceutical companies or their licensees sell at lower prices than in South Africa. The implementation of these measures has, in spite of the non-IPR challenges to access to medicines, boosted access to medicines in South Africa. If regularly used in other African countries, TRIPS flexibilities, such as compulsory licensing, and the use of competition law could boost access to medicines with generics from India.

Africans must take advantage of their rights under TRIPS

In order to address the current health crises, African leaders need to ensure that, in their trade negotiations with other countries, no agreement is reached if its implementation will prevent them from making full use of the flexibilities allowed by the TRIPS Agreement. Further, African countries must adopt a human rights-based approach to access to medicines, i.e. incorporating the right to health into national laws. This approach makes the provision of healthcare a government obligation and allows citizens to hold the state accountable whenever it is in breach. This alone motivates the government to take measures to promote access to medicines. Again, African states need to create a favourable atmosphere for the operation of CSOs, and collaborate with them to promote access to medicines. They must also implement policies and programs aimed at encouraging nurses and doctors to stay in their countries after training.

① The 16 countries which makeup the OAPI are Benin, Burkina Faso, Cameroon, Central African Republic, Congo, Cote d'Ivoire, Equatorial Guinea, Gabon, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Senegal Chad, and Togo. Out of these, the only developing countries are; Cameroon, Congo, Cote d'Ivoire and Gabon.



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PTAS

Fix AGOA, and keep moving

Kimberly Ann Elliott

Although the US African Growth Opportunity Act (AGOA) has succeeded in boosting African exports to the US, this has only been the case for a limited number of products from a few countries. The author suggests that AGOA should be reworked to include full coverage for agricultural products, but that its effect will remain limited as long as African competitiveness continues to lag behind.

The U.S. African Growth and Opportunity Act (AGOA) of 2000 marked a major change in American trade policy towards poor countries. The program went well beyond the Generalized System of Preferences (GSP) for all developing countries, extending duty-free treatment to 97 percent of eligible products from sub-Saharan African countries. The United States also pledged, as part of the Millennium Declaration in 2000 and the Doha Round in 2005, to provide duty-free, quota-free market access for all least-developed countries (LDCs), though it has yet to do so. That means that more than a dozen Asian LDCs are eligible only for the U.S. GSP program, which provides duty-free access on just 73 percent of products, and excludes clothing, footwear, and other light manufactures.

As expected, AGOA succeeded in boosting African exports to the United States, but the program has weaknesses, and the increased trade was concentrated in only a few products from a handful of countries. Key agricultural products—including sugar, dairy, peanuts, and tobacco—remain subject to prohibitive tariffs, and the fact that the program requires reauthorisation every few years creates uncertainty for potential traders and investors. The legislation also failed to sustain the increase in clothing exports once the managed trade system for textiles and apparel was phased out in 2005. The question now is how much attention should be on extending and improving AGOA, and impeding the expansion of market access for other LDCs, relative to broader policy reforms that could spur trade and private sector growth more broadly.

Assessing AGOA's Impact

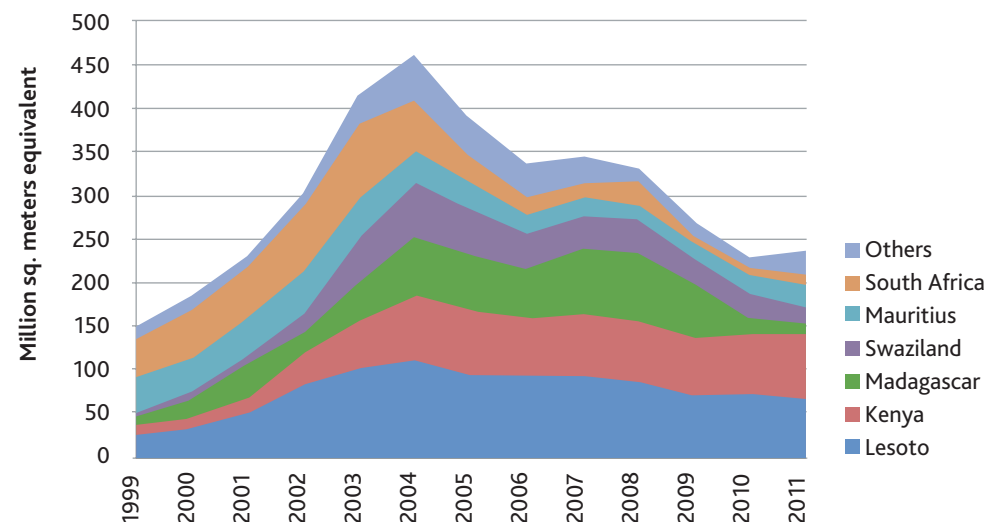
From 2001 to its peak in 2008 (prior to the economic crisis), the value of exports under AGOA increased nearly seven-fold, and the share of total U.S. imports originating in AGOA countries (including those exported outside the program) more than doubled from 1.8 percent to 3.9 percent. Rising oil prices accounted however for much of the current increase measured in dollars. In 2011, more than 90 percent of exports under AGOA were still petroleum products, and eight of the Africa's poorest countries combined—Burkina Faso, Djibouti, Gambia, Guinea, Mali, Niger, Rwanda, and Sierra Leone—exported less than \$1,000,000 in total under AGOA from 2001 to 2011. Petroleum products aside, the range of products exported under AGOA remains quite narrow. Of the total \$3.4 billion in non-oil AGOA exports during 2011, \$2 billion derived from vehicles produced in South Africa and just under \$1 billion from clothing, two-thirds of it from Kenya and Lesotho.

A serious gap in the program is the exclusion of sensitive agricultural products. Although agriculture provides livelihoods for roughly two-thirds of all Africans, total exports of food, beverages, and tobacco products from AGOA-eligible countries grew just five percent annually on average from 2001 to 2009, when they reached just under \$700 million. Exports under the AGOA program itself averaged just under \$150 million annually over the past decade, in part because many agricultural exports receive duty-free treatment under normal trade rules. This is also the case, however, because the most heavily protected products—sugar, dairy, peanuts and tobacco—still face prohibitive tariffs. In addition, cocoa exporting countries are discouraged from processing cocoa beans because of restrictions on dairy and sugar imports, which in turn restrict U.S. imports of chocolate and other cocoa products.

While, the European Union's Everything But Arms (EBA) programme, introduced in 2001, eventually reached full product coverage in 2009, including all agriculture, AGOA proved more meaningful for some exporters because it had a more flexible rule of origin for clothing. AGOA's "third-country fabric" rule allows eligible exporters to assemble clothing from imported fabric and other inputs, while the EBA, until it was changed last year, required both the fabric and the final item of clothing to be produced locally, in order to be eligible for preferences.

The success in boosting clothing exports was however temporary, they started to fall after the global system of bilateral quotas on textiles and apparel ended in 2005 (see figure 1). These exports showed signs of stabilizing after the United States and European Union imposed temporary restrictions on Chinese textile exports in early 2006, but they plummeted again in several countries when the global recession hit in 2008, and the restrictions on Chinese exports expired. More recent data suggests possible signs of post-recession recovery, or at least stabilisation, in Lesotho, Kenya, and Mauritius, but at lower levels than in the early 2000.

Figure 1. US textile and apparel imports from top AGOA exporters



Source: U.S. Department of Commerce, Office of Textiles and Apparel, Trade Data

Recommendations

The U.S. Congress should correct the flaws in AGOA by providing full coverage for agriculture, and by authorising it indefinitely to remove the repeated uncertainty surrounding extensions of the program. The clothing origin rule will expire later this year, and the entire program in three years, if not extended by the U.S. Congress. President Obama and the Congress should also fulfill the commitment to provide duty-free, quota-free market access for other LDCs. African clothing exports being highly concentrated, it would be possible to shelter 70 percent of AGOA-eligible exports by exempting just two dozen clothing items (at the detailed, 10-digit tariff line level) from LDC preferences for competitive exporters. That would provide benefits for more than half of Bangladeshi and Cambodian exports, and give other Asian LDCs new opportunities to access the U.S. market.



Kimberly Ann Elliott

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With or without the extension of preferences to other LDCs, the impact of AGOA will remain limited as long as fundamental African competitiveness continues to lag. In addition to infrastructure financing and national policy reforms to remove unnecessary regulatory barriers, serious implementation of the commitments to regional integration could significantly reduce overall trade costs and help firms achieve economies of scale and become more competitive. These policies are more difficult to implement and sustain, but they would have higher payoffs than simply maintaining or expanding access to the American market.

INTRA-REGIONAL TRADE

Boosting intra-regional trade in Africa: An end in itself ?

Sean Woolfrey

This article critically examines what role intra-African trade should have in the development of the continent. The author emphasises that intra-regional trade should be seen as a complement to extra-regional trade, not as an alternative; it should be a means to address constraints to Africa's ability to trade with the rest of the world.

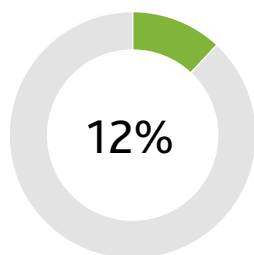
In January 2012, African leaders came together in Addis Ababa for the 18th African Union Summit. The choice of the Summit theme, 'Boosting Intra-African Trade,' reflects a growing focus in the region on addressing the relatively low levels of trade between African countries. While greater attention on trade promotion in Africa should be welcomed, it must also be recognised that increased intra-African trade should not be viewed as the ultimate goal of African integration and cooperation, but rather as a means to achieve structural change and economic development on the continent. Recognising this distinction can help ensure clear thinking on trade and development in Africa, something that is not always evident in political pronouncements emanating from the region.

[...] Increased intra-African trade should not be viewed as the ultimate goal of African integration and cooperation, but rather as a means to achieve structural change and economic development on the continent.

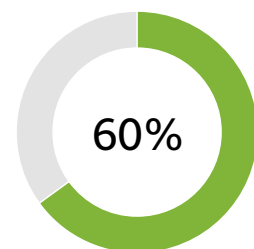
For example, in a Q&A document prepared for the Summit, the African Union highlights the fact that only around 10-12 percent of African trade is between African countries, while around 40 percent of North American trade and 63 percent of Western European trade is intra-regional. The document then suggests that levels of intra-African trade should increase to "20-25 percent in the next decade". Even if one ignores the questions as to the determination of this target, the thinking behind these points appears confused for at least two reasons.

First, comparing levels of intra-regional trade in Africa to those of North America and Western Europe is highly misleading, as the latter regions represent much larger and wealthier economies with significantly greater capacity to produce, and consume, goods and services. The gravity model of international trade – a theoretical economic model that has had much empirical success in predicting bilateral trade flows – posits that trade between two countries tends to be proportional to the product of their respective GDPs (which generally reflect both their productive capacity and their buying power), and diminishes with the distance between them (which increases the cost of transporting goods). Given that African countries generally have small economies, it is no surprise that intra-regional trade levels are much lower than in economically larger regions.

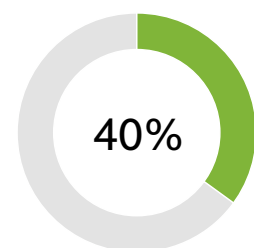
This is not to say that levels of intra-African trade are where they should be. The Economic Commission for Africa's *Assessing Regional Integration in Africa IV* suggests that levels of intra-African trade may well be less than would be predicted by a gravity model. If this is the case, the implications are that there are factors other than the relatively small size of African economies that are constraining intra-regional trade in Africa, and that there is significant scope for increasing intra-African trade through the removal of such constraints. In the absence of decades of rapid economic growth in the



Percentage of intra-African trade in total trade



Percentage of intra regional trade in Europe



Percentage of intra regional trade in North America

Source : Statistics WTO

region, however, it is unlikely that intra-regional trade in Africa will reach the levels of North American and Western European intra-regional trade.

The second example of fuzzy logic in the document is the aim of an increased proportion of intra-regional trade. This makes little sense as such a goal could be achieved by simply reducing trade with the rest of the world, or introducing costly measures which bias intra-regional trade over external trade, actions which would surely not be welfare enhancing for the region. It makes far more sense to seek to boost the volume of intra-regional trade, while also ensuring that increased volumes are not merely the outcome of significant trade diversion.

Boosting intra-regional trade through regional integration is supposed to benefit African economies by providing, *inter alia*, larger markets, greater economies of scale and increased competition for inefficient domestic firms. In theory though, such outcomes would also be generated by increased extra-regional trade achieved through African countries unilaterally liberalising their trade regimes *vis-à-vis* the rest of the world. Indeed, given the possibility of trade diversion, it is possible that the welfare gains for African countries from unilateral liberalisation would be greater than those from a more integrated region.

This does not mean, however, that a focus on boosting intra-African trade is misguided. In fact there are a number of reasons why facilitating greater intra-African trade could serve as an engine for growth and development on the continent. For instance, the region includes many of the world's fastest growing economies and could be poised to reap the benefits of a demographic dividend and rapidly growing consumer markets. In addition, intra-African trade has the potential to be far more diversified than Africa's current trade with the rest of the world.

The real value in focusing on boosting intra-regional trade, however, lies in the fact that by addressing many of the constraints to this trade, such as poor infrastructure, complex domestic regulation and insufficient productive capacity, African countries will improve their ability to engage in both intra- and extra-regional trade, and to reap the benefits of economic globalisation. In so doing they will significantly improve their growth and development prospects. Intra-regional trade should therefore be seen as a complement to extra-regional trade, not as an alternative, and should be promoted as a means to achieve economic growth and development in Africa, not as end in itself.

Conclusion

African leaders may be correct in asserting that trade between African countries is lower than it should be, and that increased intra-regional trade can be a significant driver of African development. Furthermore, pronouncements on explicit targets for boosting intra-African trade may serve an effective role in focusing attention and political will on the very real need to improve the region's trading capacity. For those policymakers tasked with designing and implementing measures to address this issue, however, it is important to recognise that efforts to boost intra-African trade should be used to complement efforts to improve African countries' ability to trade with the rest of the world. Indeed, work needs to be done to examine how regional trade initiatives can serve to enhance Africa's ability to benefit from multilateral trade liberalisation. Most of all, however, it is important that regional trade initiatives are not simply used to avoid undertaking more comprehensive trade reform which could actually be very beneficial for many African economies.

Sources:

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EMPLOYMENT AND TRADE

Job creation through trade: Challenges for African countries

Marion Jansen and José Manuel Salazar-Xirinachs

Trade liberalisation can only be beneficial for employment in African countries in a strong productive capacity setting. They examine the different steps that need to be taken to reach such a setting and conclude that supply responses to trade reforms need to be substantial.

In the context of trade negotiations it is customary to hear or read statements regarding the job creation potential of trade reform. Indeed, evidence shows that some countries have been successful in creating significant amounts of well paid and high quality jobs in expanding exporting sectors. Unfortunately those success stories tend not to be African ones. This article discusses why this is the case and what can be done to make trade work for jobs in Africa.

The employment effects of trade liberalisation may be disappointing

Trade liberalisation is unlikely to automatically create job miracles since successful integration into world markets tends to go hand in hand with the adoption of new technologies and productivity increases. Productivity increases are great, because they are a main driver of growth but they also imply that successful integration in terms of export growth does not necessarily lead to additional job creation. Firm level evidence from Brazil even shows that successful exporters may shed labour. Evidence also shows that in countries with simple and undiversified production structures, trade liberalisation may contribute to de-industrialisation.

[...] Successful integration into world markets tends to go hand in hand with the adoption of new technologies and productivity increases.

On average jobs in the exporting sector tend to be better paid and characterised by better working conditions than jobs elsewhere. However, in order for this to result in an improvement of the overall job market situation, exporting sectors and other productive sectors in the economy would need to grow substantially. In other words, the big challenge is in ensuring a relatively high supply response of the economy.

Productive sectors need to grow substantially

Asian economies have on average been rather successful in achieving growth in highly productive sectors. As a result, more and more workers have over time become employed in high productivity sectors with resulting improvements in their pay and working conditions. Alternatively, in Africa, high productivity sectors have tended to shrink and labor has moved into low productivity sectors and often into informality. Countries like Nigeria and Zambia, for instance, have in the past two decades witnessed an expansion of the agricultural sector accompanied by employment losses in the manufacturing sector that are characterised by higher productivity. Why did this happen?

One possible reason lies in the fact that policy reforms, including trade reforms, can trigger unbalanced adjustment processes if carried out in an environment where relevant markets do not function well or required infrastructure is not in place. When financial markets function badly, for instance, productive firms may not get the credit necessary to invest and expand production. As a consequence, they may not be able

to enter foreign markets and will not create new jobs. The same thing can happen if the physical infrastructure necessary to export does not exist or if the skill level of the workforce hinders the expansion of the export sector. The result can be a situation of so-called "decoupling": jobs are destroyed in the import-competing part of the economy but not created by firms with export potential. In those situations, trade liberalisation can have a negative effect on the structure of employment.

What governments could do so that trade creates enough jobs?

The good news is that policy makers can avoid decoupling by ensuring that relevant markets and firms can function effectively in a supportive business environment. The bad news is that in a weak productive capacity setting – typical of many sub-Saharan African countries – the number of performing firms might be much smaller than the vast number of non-performers. In such cases, export supply depends on new investment and as a consequence the local investment climate becomes crucial.

(i) Helping firms to grow by reducing trade costs within the region

Infrastructure challenges are probably among the first ones that need to be tackled. The infrastructure challenges that Africa faces have been known for quite a while, and a significant amount of trade related technical assistance has been dedicated to addressing them. No doubt, there is merit in focusing on improving infrastructure across countries within Africa, thus boosting regional physical integration and a real region-wide market. This could, for instance, contribute to a more balanced firm size distribution with a larger segment of medium sized firms ready to venture into global markets. Currently, most African countries are characterised by a firm size distribution dominated by micro and small (often informal) firms and the presence of a few large firms (often active in the mining industry).

Currently, most African countries are characterised by a firm size distribution dominated by micro and small (often informal) firms and the presence of a few large firms (often active in the mining industry).

Intra-regional trade in Africa is much lower than in other regions, but it has been growing twice as fast as total trade. It can become a major driver of growth. With better physical integration and more trade facilitation, the regional African market of one billion people is full of promise, particularly as incomes rise and middle classes expand. In this light, the endorsement of a plan to boost intra-African trade during the January 2012 African Union Summit of Heads of State and Government is an important step in the right direction.

(ii) Ensuring that firms find skilled workers as they grow

Governments should also ensure that the countries' **workforces are adequately skilled**. Education is important for economic growth, particularly in open economies. Evidence also shows that education contributes to export diversification. This finding is particularly relevant in the light of the high levels of export concentration in African countries.

Simply spending more money on education is unlikely to be enough though. It is also important to ensure that the skills supplied by the education and training system correspond to the skills demanded by employers. If this is not the case, situations of so-called "skill mismatch" occur, where the skilled remain unemployed and firms complain that they do not find adequately skilled workers. In Egypt, for instance, the unemployment rate among workers with tertiary education is close to 20 percent. At the same time, over 50 percent of firms in Egypt rank inadequately educated workforce as a major constraint to their business. In Morocco, nearly half of young urban males

with tertiary education are unemployment, yet 30 percent of companies consider skills as a major constraint.

The experience from the early Asian tigers shows that the co-ordination of skills development policies with adequate trade and investment policies has a strong potential to contribute to reducing skill mismatches and to boost sectors with growth potential. In order for such policy co-ordination to succeed it is necessary to accurately anticipate future skill demand.

(iii) Facilitating workers' transition from one job to the other

Constantly changing market conditions can also contribute to increased volatility in labour markets and result in more frequent job changes for individual workers. The transition period between the last job and the next one can be terribly difficult for workers with low savings and in the absence of a social protection system, i.e. in the situation typical for low-skilled workers in numerous African countries. One possible result is that workers cannot afford waiting for the job that suits their aspirations or qualifications but accept the first job available. This in turn can result in significant loss of human capital, a waste that developing countries cannot afford. **Social protection systems** adapted to local conditions can go a long way in facilitating transition phases resulting from job turnover and in avoiding human capital loss. Steps in the direction of more openness should therefore be accompanied by investments in social protection.

For a long time, social protection systems were thought to be a privilege for those working in industrialised countries. The recent Bachelet Report, however, illustrates that there is by now a wealth of experience with the design and the funding of social protection systems in low and middle income countries. Programs tend to differ across countries in their components, scale and beneficiary selection. Their funding mechanisms will also differ. Examples exist of countries funding social protection through mineral based taxation (Bolivia, Botswana, Brazil), social contributions (Brazil, Costa Rica, Lesotho, Namibia, South Africa), increases in general taxation (Brazil, Lesotho, Thailand) or through Official Development Assistance (Namibia). These examples illustrate that low income countries can afford social protection systems.

Conclusion

In this period of rapid technological progress, supply responses to trade reform need to be substantial in order for trade liberalisation to contribute positively to average employment in terms of quantity and quality. The challenges African countries face to make this happen are plenty. Investments in regional infrastructure, human capital and the strengthening of social protection systems are among the first steps to consider in order for African countries to capture the potential gains from globalisation in terms of employment. In the current phase of high commodity prices, the predominance of extractive industries in many African countries can provide a unique opportunity for action at the national level in this direction, as the availability of government revenues from the extractive industries can provide an opportunity for smart investments for the future.

This article is based on the books "Trade and Employment: From Myths to Facts", Jansen Marion, Ralf Peters and José Manuel Salazar-Xirinachs, ILO, 2011 and "Making Globalization Socially Sustainable", Jansen Marion and Marc Bacchetta, ILO-WTO co-publication.



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BRICS

A glance at Africa's engagement with the BRICS

Taku Fundira

The aim of this article is to provide an insight into the manner in which the BRICS are engaging with Africa not only from an economic but also political point of view.

The world is currently witnessing a shift in the global trading environment with Brazil, Russia, India and China and the latest member South Africa – known as the BRICS – starting to aim for a major role in balancing the structure of global economic governance. The story of the BRICS and Africa has only just begun and the future is exceedingly bright for them.

The rise of the BRICS and reactions from the global community

For Africa, however, where poverty, food insecurity, poor infrastructure, the lack of productive capacity and the transfer of technology remain challenges, the role of some of these emerging economies within the so-called South–South alliances can be viewed as an opportunity to enhance cooperation with other developing countries, playing a significant role in the economic and social development of the region. Furthermore, the increased bargaining power of developing countries in multilateral negotiations, as reflected in the current Doha negotiations of the World Trade Organisation, has been cited as another reason for cooperation with emerging markets such as Brazil, Russia, India, China and South Africa.

Despite the positives raised about the BRICS engagement with Africa, their real intentions are raising concerns. The involvement of booming economies - such as India and China - in Africa has been questioned and said by some to be no different from the way in which Africa was previously colonised for the sake of its natural resources. The argument is certainly plausible given that the majority of investments in Africa from these emerging markets is concentrated in the traditional resource-rich primary sectors.

Entry of South Africa – some mixed reactions

The entry of South Africa to the coalition has however, created much debate regarding whether South Africa should be one of the BRIC(S), and the potential advantages of the coalition for South Africa and the African continent. Those not convinced by South Africa's inclusion in the BRIC coalition, note that South Africa's disadvantages and lack of trade and investment opportunities might be revealed when compared to the other larger and faster growing BRICS countries.

Further concerns centre around the idea that that BRICS will not actually increase trade prospects for South Africa and the rest of Africa, and will actually hinder the regional integration process, based on past instances in which South Africa's global interests have not been in alignment with those of its continental neighbours. For example South Africa's role in the Southern African Customs Union (SACU) with regards to the manner in which trade and industrial policies are formulated, or its reluctance to negotiate certain aspects of the Economic Partnership Agreement with the EU.

On the other hand South Africa's joining of the BRIC shows its strategic importance in the south-south BRIC configuration. South Africa is a strategic partner for investment, linking the African continent to the rest of the world and facilitating the flow of investments from the BRIC countries into the rest of Africa. Through incorporation into BRICS, South Africa is seen not only as an individual emerging economy, but also the gateway to the African continent.

BRICS trade with Africa in terms of GDP

2.6%

India

2.3%

China

1.7%

Brazil

0.5%

Russia

>3%

South Africa
(estimation for 2010)

Source: Freemantle and Stevens, 2010



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The BRICS engagement with Africa

Africa is now both a new frontier of economic and other opportunities and host to some of the fastest-growing economies in the world. It is important to note that African countries need to create an environment conducive for tapping into the benefits that accrue.

From a trade perspective, individually, the growth rate of BRIC countries' trade with Africa has outpaced the average global trade growth and the growth rate of BRICS' trade with the rest of the world.

China – Africa's largest trading partner – has increased trade with Africa from US\$3.5 billion in 1990 to over US\$120 billion in 2010 ¹, which equates to roughly two-thirds of Africa's total BRICS trade. Given Russia's significant natural resource reserves and South Africa's economic dominance in the region, the two are the only BRICS countries that boast an overall trade surplus with Africa.

A closer look at South Africa's trade with its continental neighbours reveals the following:

- During the 2008-2009 financial crisis period, the value of total trade between South Africa and Africa decreased by 24 percent from approximately US\$21.2 billion in 2008 to approximately US\$16 billion at the end of 2009. However, growth in total trade increased by an estimated 17 percent annual growth from US\$16 billion in 2009 to US\$18.8 billion in 2010.
- The bulk of South Africa's current trade with Africa is concentrated among a few countries: For imports, Nigeria (35 percent), Angola (32 percent) and Mozambique (8 percent) account for about 75 percent of total trade, while for exports, Zimbabwe (17 percent), Mozambique (16 percent) and Zambia (14 percent) account for about a 47 percent share.

From the analysis above, we note that while South Africa's trade with African countries is growing, the trading pattern reveals concentrated trade with a few countries and a few products which are mainly primary in nature. Trade in value added products remains weak, especially in imports from African countries, highlighting their heavy reliance on trade in primary commodities.

A look at the investment patterns shows that foreign direct investment into Africa has increased with China and India leading the group in terms of both footprint and coverage. Investments are diversified albeit still concentrated in infrastructure and commodities, but we currently see an increase in investment in services. Sectors receiving special investment attention include telecoms, financial services, agribusiness, infrastructure, oil and gas, mining, and electric power.

What does it mean for Africa?

Indeed African countries are cognisant of the importance of trade and investment as a conduit to economic growth, poverty alleviation and development. On their part, most African countries are making efforts to create an enabling trading environment.

The emergence of China as an economic superpower has in many ways led the reinvigoration of commercial interest in Africa. For the BRICS, engaging with Africa is not a unilateral act of goodwill; it makes perfect economic and strategic sense. Africa must seize the opportunity to ensure it benefits proportionately from relations with the BRICS. For instance African countries can add terms and conditions into the mix such as concessions attached to much needed infrastructure development projects. In this regard, there is need for a proactive approach that allows for the development of cooperation strategies that are in line with national and regional development goals, thus ensuring decisions made at the national level do not conflict with those committed at the regional level.

Note : See related Paper " The BRICS and Japan's engagement with Africa", TRALAC, January 2012, <http://bit.ly/JetejL>

¹ Freemantle and Stevens (2010)

AGRICULTURE

How can Europe make the CAP coherent with development?

Nicola Cantore, Sheila Page and Dirk Willem te Velde

The authors of this article argue that the proposals for the CAP post-2013 largely preserve the current structure and that a more radical CAP reform is needed if it is to confront challenges in the new global context of high volatile food prices, concerns about food security and an increased emphasis on greening.

The European Commission published its proposals for the post-2013 CAP in October 2011. These are now being discussed with the European Parliament and the Council, and must be approved before the end of 2013. The current Common Agricultural Policy incorporates damaging instruments for developing countries, and the proposed post-2013 CAP reform does not contain much good news from a development perspective. Instead, we suggest that radical reform is needed. This is even more necessary than in the past because, firstly, there is a new context of high food prices and growing environmental problems calling current CAP measures into question and, secondly, the reform process of the CAP now has to take account of the European Union's (EU) development cooperation policy objectives, which includes Policy Coherence for Development (PCD). The European Union is legally obliged to reconcile European interests with the development needs of low income countries.

It is therefore worth asking three sets of questions: How do the present CAP and the proposed reforms affect development? Secondly, is the CAP a good instrument for achieving its declared goals of supporting and stabilising rural income and protecting the environment? Finally is the goal of stabilising agricultural prices and incomes within the EU compatible with coherence for development?

Current CAP instruments and development

Many instruments of agricultural policy in the hands of European decision makers affect growth and income distribution in developing countries (Cantore et al, 2011), including CAP instruments such as export subsidies and direct payments, as well as tariffs. Whilst the exact impact of these measures is debatable, it is frankly inconceivable to suggest that the €50 billion currently being spent on European farmers is 1) money well spent to achieve the objectives of CAP – especially considering that some farmers derive more than 50 percent of their incomes from the CAP – and 2) is not affecting trade and production patterns globally.

In the global context of increasingly *volatile food prices*, CAP instruments may exacerbate the negative effects for developing countries. Not all price variations are damaging, but large and unexpected variations in prices are problematic for producers, traders, consumers and governments that are too poor to tolerate such risk. If the CAP is successful in stabilising European markets, this can only be done by transferring price fluctuations to international markets, so that the volatility facing developing countries is then even more pronounced.

CAP reform and development

One of the main reforms proposed is to reduce the differences in the levels of the direct payment per hectare that currently exist among member States. The impact of these changes on developing countries depends on the possible consequences for the quantity and composition of agricultural production. The redistribution of funds may generate a change in total EU production for some commodities, which could in turn create winners and losers across developing countries. As one reason for this reform is explicitly that the EU remains committed to support production, even when it is inefficient, two consequences are likely: Production in the EU will be further raised above the efficient

level, damaging markets for developing countries, and a subsidy culture for inefficient and environmentally damaging farmers could become further entrenched throughout the EU. The proposed modifications to the ways in which direct payments are made, which were intended to *green the CAP*, could have had advantages for developing countries such as emissions and climate-damage reduction. However green modifications now seem unlikely following the refusal of the Environment Council to endorse the Commission's greening proposals during their meeting on 19 December 2011.

One specific reform, *sugar quota abolition*, is likely to reduce exports and production in the group of African Caribbean and Pacific countries. If the EU sugar price is high and the quota is binding, abolition of the quota will increase the supply from EU sugar producers, leading to a reduction in the world price, and therefore in production by farmers in developing countries with quotas. For developing countries in general, the abolition of sugar quota should lead to a better functioning of the price signal mechanisms and the elimination of a market distortion in the sugar sector. If the world sugar price is low, and the quota not binding, there will be no effect.

Our most important conclusion is that the reforms proposed are likely to have small effects, and the consultation process seems to be reducing even these. Overall we argue that proposals for the post 2013 CAP largely preserve the current structure (as in Matthews, 2011).

Conclusion

The European Commission is explicit in claiming that: "This commitment [Policy Coherence for Development] is based on the recognition that, in pursuing its domestic policy objectives, the EU should avoid negative spill overs that could adversely affect the EU's development objectives". CAP represents now almost 40 per cent of the European budget. Given the nature of the damage to developing countries - the CAP not only reduces growth and incomes, but distorts production and trade patterns - compensating developing countries for the damage is not the best response. Rather, the policy discussion should focus on how to redirect the funds currently devoted to the CAP in order to first achieve food security world-wide, and second to achieve redistribution of income to the rural areas of the EU (if this is, in fact, still a policy objective supported by populations in the EU) without negative effects upon the rest of the world. It is time the EU took PCD seriously and embedded it within agriculture and development policy.

While a greened CAP might be less damaging overall to developing countries and better than the current CAP, if the aim is the provision of public goods, it is highly questionable whether the provision of environmental public goods may be sufficient to justify the adoption of a set of measures distorting the market and generating damages to developing countries. We don't need a CAP that pays funds to existing farmers to provide public goods. Instead, we need less discriminatory EU policies.

We need a more radical CAP reform in order for it to confront the new challenges.

This article is based on a briefing paper "Making the EU's Common Agricultural Policy coherent with development goals", 2011, ODI. The briefing paper forms part of a series of research projects on the development implications of CAP conducting. <http://bit.ly/nwyzfQ>.

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Regional update

East African Community

Following the Kigali meeting in Rwanda from 20-24 February, experts from both parties met again in Brussels, Belgium, from 16-20 April, then in Mombasa, Kenya, from 8-11 May. The meeting between government officials originally planned for May 14 has been pushed back to July 15 and will be preceded by another session with experts.

Despite their efforts to move towards the finalisation of the agreement, both communities remain divided on key issues, including the usual topics of the MFN clause, agricultural subsidies, the non-fulfilment clause, rules of origin and development cooperation, among others. As for the latter, part of the debates concern the question of whether the text on development cooperation should be appended. The EAC is in favour of this option as it would make this text legally binding. The issue of geographical indications is also one of the topics concerning which agreements still need to be made. The EU would like to deal with this issue as part of agriculture rather than intellectual property.

More generally, the legal status of the text being negotiated is also a source of debate. Following the idea that "nothing is decided until everything has been decided", the EAC would like to have the possibility to reopen issues that have already been subject to compromise in the text if it can prove that this is necessary. The EU does not approve of this as it believes that any agreement made on an issue must be consolidated.

Both parties have agreed to continue discussions to finalise the interim regional EPA with the aim to have it finished before the end of the year. With this in mind, a round of negotiations should take place in July.

In a resolution on EPAs made public on May 22, the East African Legislative Assembly (EALA) urged the EAC's political leaders to engage the EU at the highest levels to convince it to cancel the amendment to Resolution EC/1528/2007 on market access. According to this amendment, the EU could withdraw trade preferences from countries that have not implemented the EPA on January 1st 2014.

West Africa

After the November 2011 round in Accra, West Africa (WA) and the European Union (EU) met again in Brussels from 16-20 April 2012 for discussions between experts and government officials.

The agenda focused on various issues currently debated in the text of the agreement, such as the MFN Clause, the non-fulfilment clause, agricultural subsidies, the situation of countries that have a customs union with the EU, and the two main topics of the EPA, that is to say the market access offer and the EPA Development Programme (EPADP). The latter was discussed by the Regional Preparatory Task Force (RPTF).

The rules of origin were also dealt with at the same time, as a continuation of the work of the subgroup on rules of origin on 26-27 March 2012.

Disagreement arose over the question of whether more technical negotiations were needed or whether the highest levels of political authorities should be involved. The second opinion is defended by West Africa, which estimates that experts have very little room to move forward. Concerning market access, WA reiterated its offer at 70 percent, arguing that it could not go any further. The EU rejected this position and argued that the West African offer is not sufficiently clear or detailed as it does not present a reduction formula with percentages or a specific dismantling calendar for each line.

The issues concerning EPADP were dealt with as a compromise package. Progress was made on language issues. In the end, the only major disagreement left is the question of adding necessary resources to the financing of the programme.

When it comes to market access, WA will carry out internal regional consultations with key stakeholders to evaluate the current stakes of the negotiations, especially for Côte d'Ivoire and Ghana, to identify the political perspectives and orientations before responding to the EU's requests. Talks will continue in this direction to decide upon the date and place of the next round.

Central Africa

Central Africa has increased internal consultations and regional meetings to prepare for the resumption of talks with the EU. The Permanent Secretariat of the Regional EPA Committee in Central Africa organised a harmonisation meeting between the Economic and Monetary Community of Central Africa (CEMAC) and the Economic Community of Central African States (ECCAS) from February 13 to 17 to discuss the proposed negotiation programme and common regional projects to be developed as part of the 10th EDF.

A similar regional reunion was organised in Douala, Cameroon, from 29-30 March to discuss and confirm the results of a study on trade in services commissioned by both regional organisations.

The most recent session of negotiations between Central Africa (CA) and the European Union (EU) took place in 2011 in Bangui, in the Central African Republic.

The date and place of the next negotiation rounds have not yet been set, but CA has already decided upon a road map laying out the suggested steps to successfully conclude the agreement. This road map has also been sent to the EU.

East and Southern Africa

The EPA between East and Southern Africa and the European Union has undergone recent developments after Mauritius, Madagascar, Zimbabwe and Seychelles decided to implement the agreement that was signed in 2009. According to statements made by Karel De Gucht, European Commissioner for Trade, the agreement came into effect on May 14 2012 and marks the beginning of the progressive opening of these countries' markets to European exports in the next fifteen years. In 2007, ESA had signed an interim regional EPA. After that, four countries took another step forward by signing it. These same countries also chose to ratify it and temporarily implement it. The EPA will be in effect once all the countries, including the members of the European Union, have ratified it.

The two regions have not held any negotiation rounds the past few months. The meetings scheduled for March 2012 were cancelled. Now that Mauritius, Madagascar, Seychelles and Zimbabwe have decided to implement the agreement, the EU is trying to encourage the other countries in the region to do the same.

See also *"The EU's first EPA with an African region"*: <http://ictsd.org/i/news/bridges-africa/133662/>

SADC

The SADC and the EU have not had any meetings since the Johannesburg rounds in November 2011. The meetings scheduled for February and March 2012 were pushed back to a later date. The current exchanges should allow the date and place of the next negotiation round between experts and government officials to be determined.

As a reminder, the discussions between the two parties during the last round covered such topics as market access for agricultural and agro-food issues, geographical indications, services and investment, and rules of origin. Other issues that are no less important are also fundamental causes of disagreement, such as the MFN clause, export taxes and the text of the agreement, especially for the provisions relating to the definition of the parties involved and the clause freezing tariffs.

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The EU's first EPA with an African region

The EU announced in a press release that the Economic Partnership Agreements have reached their conclusion with four Eastern and Southern African states - Mauritius, Madagascar, Seychelles and Zimbabwe - they took effect on 14 May 2012. These countries will gradually open their markets to European exports over the course of 15 years, with exceptions for certain products that the countries consider sensitive.

EU Trade Commissioner Karel De Gucht said "This is excellent news and I salute the hard work of negotiators and colleagues on all sides. With this trade deal we hope to accompany the development of our partners in Eastern and Southern Africa and open up better and lasting business opportunities."

At the end of 2007, Comoros, Madagascar, Mauritius, Seychelles, Zambia and Zimbabwe concluded an interim Economic Partnership Agreement with the EU. Four countries (Madagascar, Mauritius, Seychelles and Zimbabwe) went ahead and signed it in August 2009. These four countries have now taken and completed steps towards ratification or notified application, so that the agreement can now be properly implemented. This marks the first instance in which an African region interim EPA is fully applied.

Read the full story at <http://bit.ly/LrumnP>

EU's EPA conduct condemned by EAC legislators and civil society

The European Commission has come under fire from African legislators and civil organisations for its pursuit of "unrealistic" EPA deadlines (see TNI Vol 10 Number 7). The backlash follows the release of a joint EAC/EU statement at the end of April's EPA oversight conference, which called upon the EC to "desist from using policy leverage and unrealistic deadlines to achieve their ends in the negotiations to the detriment of a mutually beneficial agreement".

Kenyan MP, Musikari Kombo, specifically urged parliamentarians who attended the conference to "find their niche in the whole EPA process" so as to keep a more watchful eye on individual negotiators. Kombo said that "the EC has identified their interests. If we go for negotiations and we don't know our interests, then they will ride over us." Continuing, he declared that Africans "are not going to negotiate on the basis of intimidation. No deal is better than a poor deal". The chairman of the Uganda parliamentary committee on Trade, Kasaija Kagwera, further called for the EAC to keep its "options open".

The swelling numbers of critically-minded African policy makers are also finding agreement among civil society. A coalition of organisations known as the Economic Justice Network (EJN) delivered a caution to politicians last week in Accra, which presented the EPAs as a threat to African economic integration.

Whilst fears about the potential negative impact of the EPAs upon rural livelihoods have been sparked by the EU's reluctance to abolish agricultural subsidies, The EJN's main point of contention is that the EPAs could turn Africa into nothing more than a perpetual supplier of raw materials by hindering Africa's ability to industrialize and move up the value chain.

Read the full story at <http://bit.ly/MqVsed>

Release of the first UNDP Africa Human Development Report 2012

Yesterday, the Bridges Africa team attended a UNDP Round Table Discussion on the recently published Africa Human Development Report 2012. The publication is the first regional report on Africa by the UNDP, and it bears a blunt warning: the recent impressive levels of economic growth on the continent are unsustainable as long as African countries continue failing to reach out to the poorest 25 percent of their populations. This group, consisting of every one-in-four Africans, amounts to 214 million people who are faced with food insecurity on a daily basis. Africa's stark economic improvements have been "a dramatic turn around," said Pedro Conceição, Chief Economist at the UNDP, "but it has not translated into food security".

Key to the report's analysis is the idea that the resources to increase Africa's agricultural yields are there, what is lacking are the adequate policies. According to Pedro Conceição, four elements – the stability, availability, access to and use of food – are critical to food security; without them human development is affected directly in terms of health and education, as well as indirectly in terms of productivity loss and lack of social participation.

The Executive Director of UNITAR, Carlos Lopez said that the economic success of the continent is encouraging, especially in light of Africa's increased integration in the global economy, as well as the ever-increasing role of its service sector. "Africa could be on the brink of an economic takeoff just like China was 30 years ago," he said. "A green revolution is needed, but not the same kind as occurred in China throughout the 1970s".

"Africa cannot repeat the Asian experience," agreed Abdesslem Ould Ahmed, "because whilst it saved millions of people, it harmed the environment. We need to use eco-friendly technologies".

Participants agreed that food security is not a narrow issue related only to storage, prices or subsidies: a number of factors are important. The report suggests a multifaceted approach. Specifically, four critical areas of reform are identified as essential: 1/ Agricultural productivity ; 2/ Nutrition; 3/ Building and maintaining resilience and 4/ Empowerment and social justice.

Read the full story at <http://bit.ly/JlziRf>

Malawi's new president drops peg with US dollar

Malawi's currency, the Kwacha, has dropped in value by about 50 percent following the new President's decision to break the peg with the dollar. This decision saw the exchange rate with the dollar increase from 165 to 250. The move comes as just one of many sweeping actions taken by new President, Joyce Banda, who took over leadership of the country following the death of Bingu wa Mutharika last month. She wasted no time in reshuffling the presidential cabinet and replacing the governor of the central bank.

Bridges Africa attends WTO panel on Plurilateral Trade Agreements

Last week, the WTO hosted an open panel to discuss the emergence of plurilateral trade agreements and their implications for the working framework of the WTO. Speakers included Roberto Azevedo, Brazilian Ambassador; Patrick Low, Chief Economist at the WTO; Xianhun Lu from the Chinese Mission; Gabrielle Marceau of the University of Geneva; and Kenneth Schagrin from the US mission.

The talks provoked more attention than anticipated, necessitating a change in venue to the WTO's Geneva headquarters. Speakers covered a lot of ground, beginning with an emphasis on the question of definition: what, according to the contrasting realms of law, politics, and economics, are Plurilateral Trade Agreements? It was quickly established that the legal perspective, in stressing the centrality of procedural consensus in decision-making, defines PTAs primarily as a deviation from one of the basic pillars of the multilateral system: the 'Most Favoured Nation' principal, which ostensibly guarantees equal trade advantages to all WTO members. As a starting point for the debate, participants seemed to agree on the actual lack of a detailed definition.

Most speakers highlighted that the recent rise in PTAs – such as the Anti-Counterfeiting Trade Agreement and the Trans-Pacific Partnership – has its foundation in economics. With most nations being in no position to liberalise at the moment, the oxymoron of exclusion in integration is becoming the standard. Speakers could not, however, agree upon what exactly this proliferation of PTAs means for the multilateral system.

Read the full story at <http://bit.ly/KAiziS>

G8 pushes for private sector route to food security in Africa

On a 23rd of May Bridges Weekly published an article related to the announcement of G8 leaders to invest in African agriculture and enhance agricultural productivity. US President Barack Obama announced over US\$ 3 billion in private-sector investment plans to boost food security. G-8 and African leaders committed to the New Alliance for Food Security and Nutrition in order to raise 50 million people out of poverty over the next 10 years by investing in modern agricultural methods and technologies.

See full article here: <http://bit.ly/JHBZV3>

Publications and resources



Trade Policy Options for Enhancing Food Aid Effectiveness – ICTSD – May 2012

This report re-examines the role of food aid in contributing to food security and disciplining trade displacement risks. Such a re-examination, the author argues, is especially appropriate given the renewed attention to options of 'early harvests' on some elements of the wider Doha package, including export competition, along with recent changes in food aid.

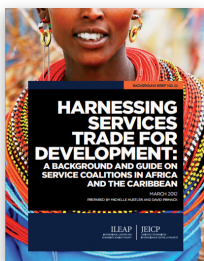
For full report see <http://bit.ly/JTA141>



African Human Development Report 2012: Towards a Food Secure Future – UNDP – May 2012

UNDP's Africa Human Development Report 2012 shows that food security and human development reinforce each other. To accelerate food security, countries in sub-Saharan Africa must boost agricultural productivity and enhance nutrition to improve availability, access and use of food.

For full report see <http://bit.ly/J6fITU>



Harnessing Services Trade for Development: A Background and Guide on Service Coalitions in Africa and the Caribbean – ILEAP – March 2012

While there are many factors to consider in the development of an internationally competitive services sector, this paper highlights one of the key, far reaching factors for the private sector – the establishment of a national (and/or regional) coalition of service industries.

For full report see <http://bit.ly/JfsJat>



The Challenges Facing the Multilateral Trading System in Addressing Global Public Policy Objectives – IHEID – March 2012

In the context of the financial crisis and a global recession hampering economic growth, this paper examines how the multilateral trading system has traditionally sought to meet the goals of global public policies and how it is planning to do so in the future. After a brief overview of current trends in international trade and recent developments that led to the current crisis of the Doha Round, the authors look at possible reforms for WTO negotiations.

For full report see <http://poldev.revues.org/1012>

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